



Government Transformation in an Era of Constrained Resources: A Technology Story

DEPARTMENT OF
**TECHNOLOGY
SERVICES** *Training Center*

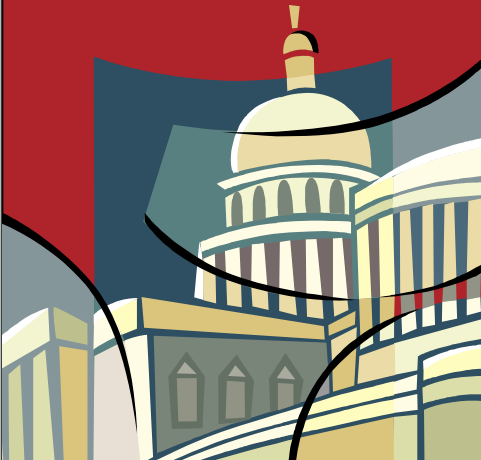
ei 2006

ei 2006

Executive Institute 2006
"Government Transformation & Succession Planning"

A Story in Five Chapters

- ◆ Chapter 1: The World Has Changed
- ◆ Chapter 2: Government Under Pressure
- ◆ Chapter 3: Moving Toward Government 2010
- ◆ Chapter 4: Learning From the Best
- ◆ Chapter 5: CIO Leadership
- ◆ Epilogue: The Race – A Parable

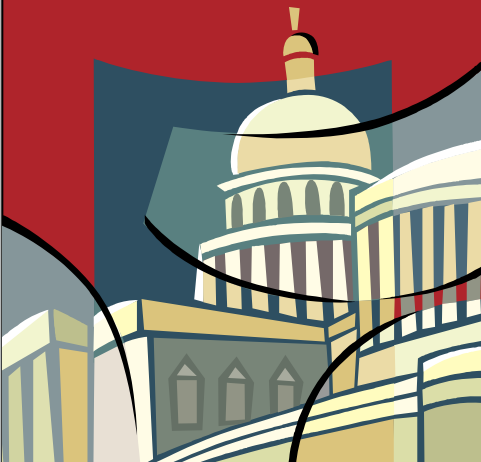


Chapter 1

The World Has Changed

If you don't like change, you are
going to like irrelevance even
less.

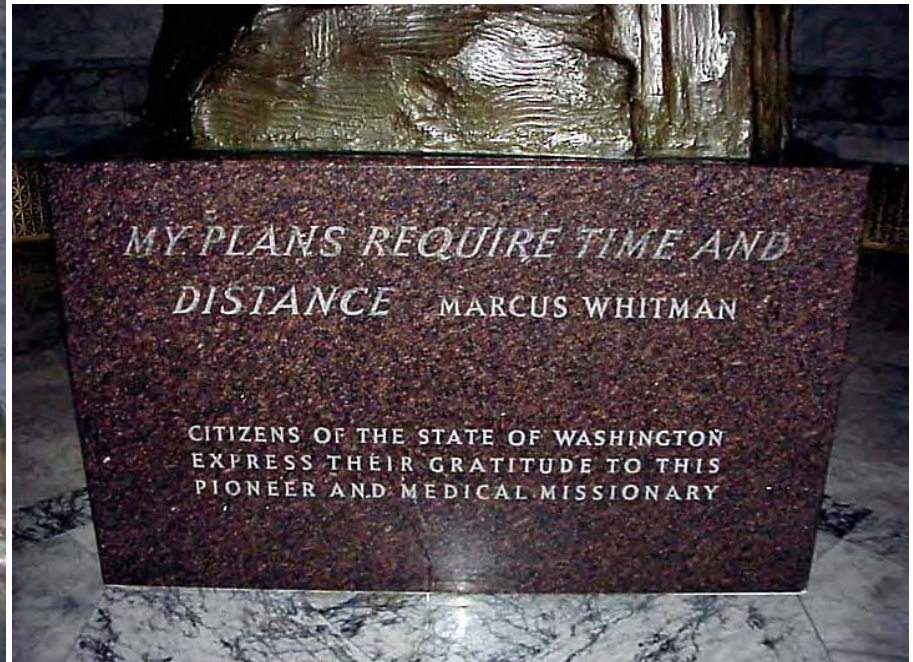
Gen. Eric Shinseki






MY PLANS REQUIRE TIME AND DISTANCE

Marcus Whitman

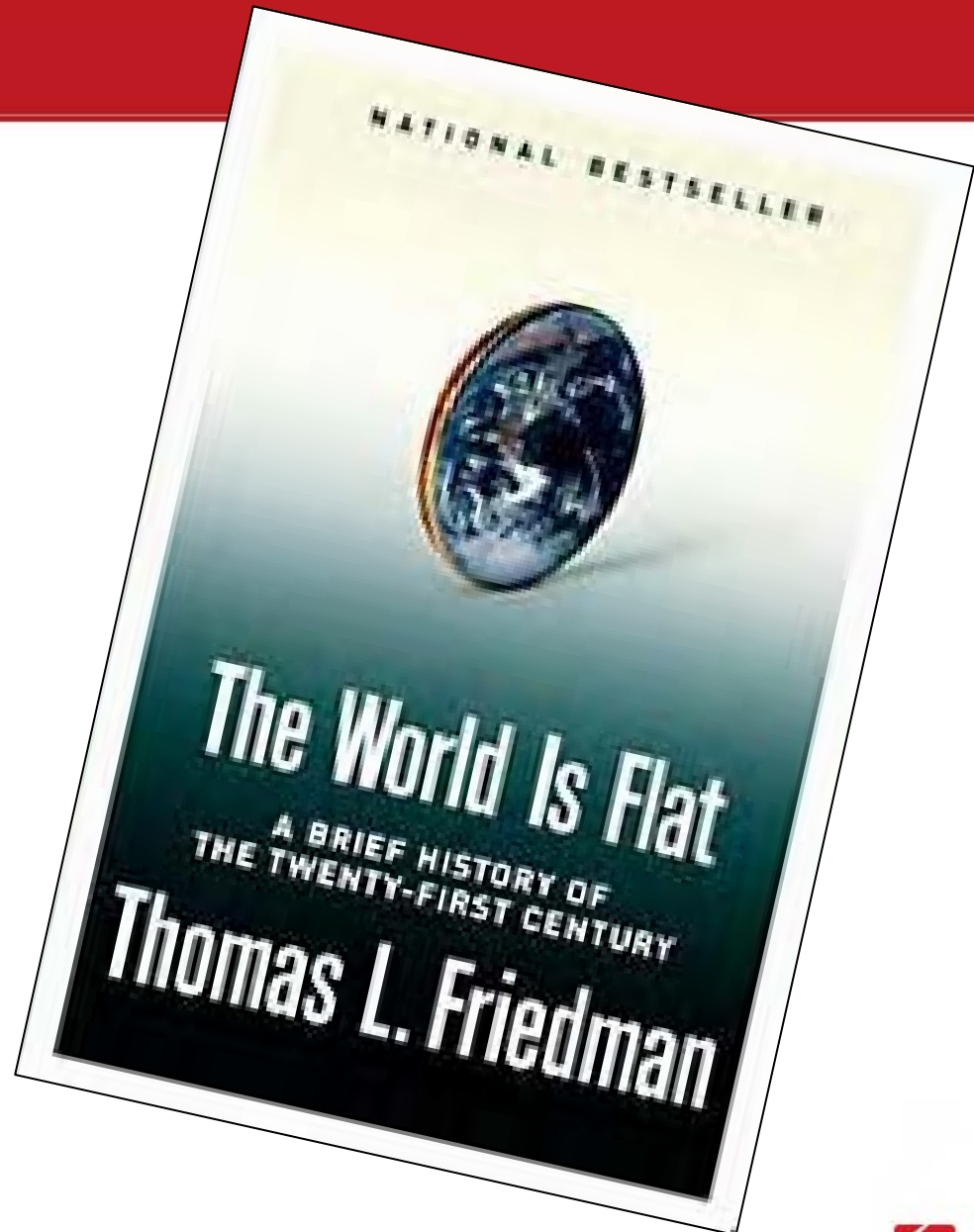
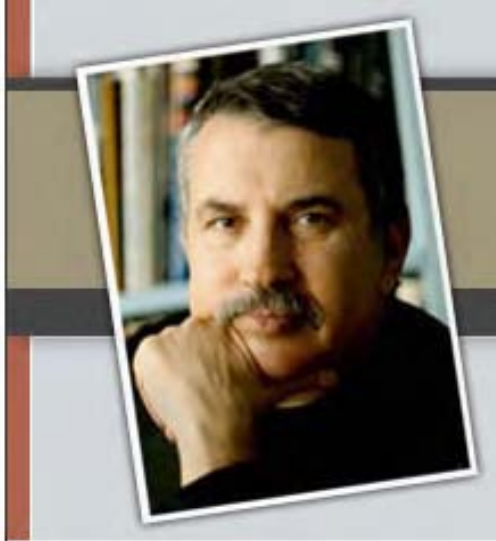


Information Power

The **microchip shifted power** within organizations and facilitated new organizations ... the **Internet** goes further and **shifts power** from organizations to  **individuals.**

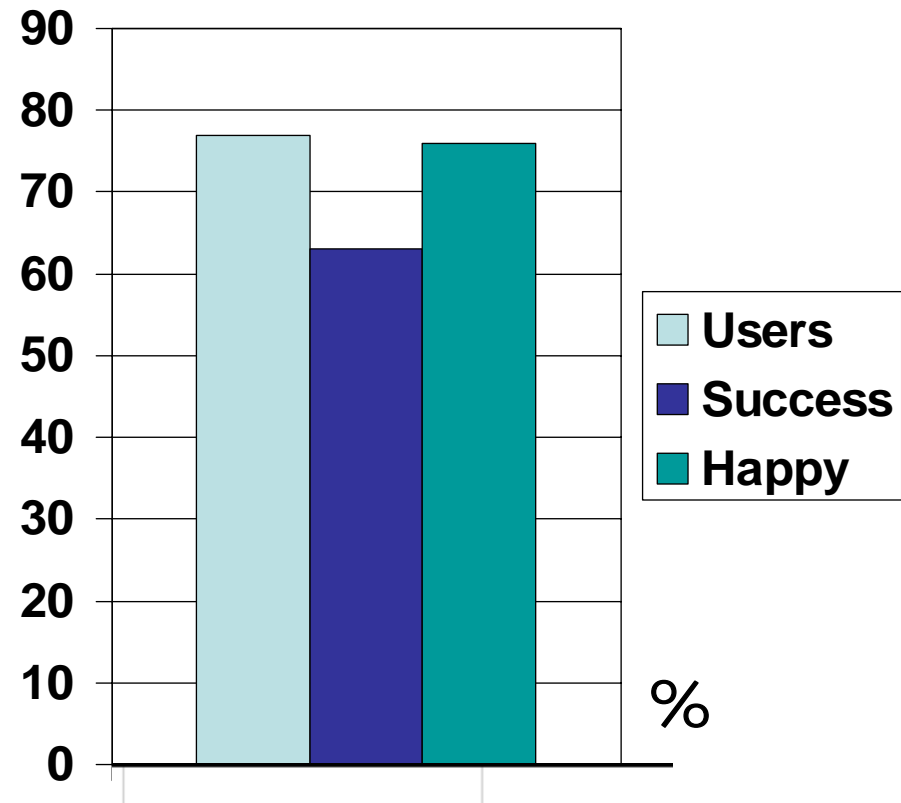
George Gilder
Telecosm

Flat World



eGovernment Up 50% in 2003

- ◆ 97 Million Americans took advantage of eGov in 2003



PEW / INTERNET May 2004
PEW INTERNET & AMERICAN LIFE PROJECT

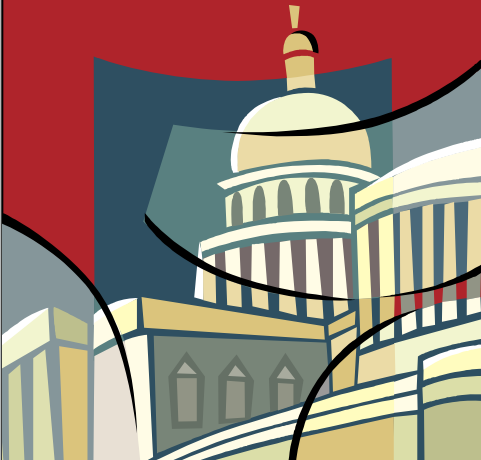
Generation Y

Chapter 2

Government Under Pressure

Nothing stimulates the
imagination like a budget cut.

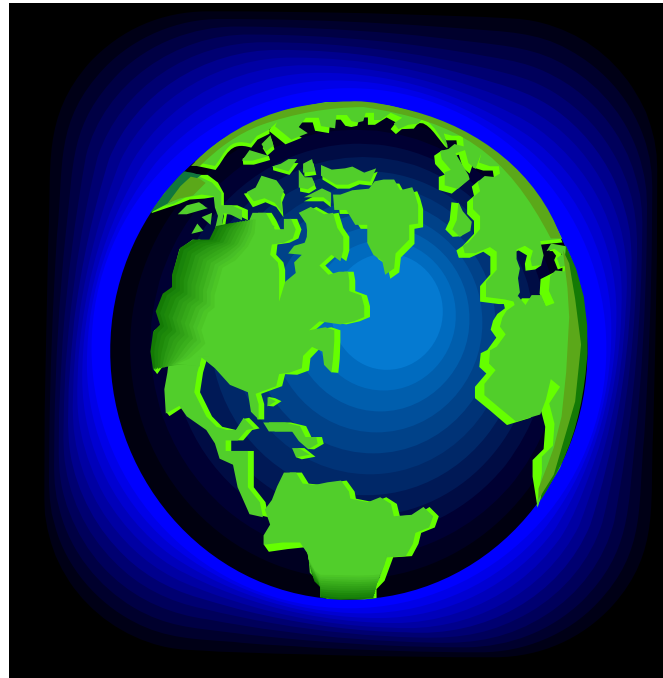
Sign on the desk of former
PA Budget Director



Global Forces

Competition

always,
everywhere



Information

abundant,
affordable,
accessible

Self-reliance

Self-Service, Self Reliant



Sacramento Bee, March 21, 2004

THAT WAS THEN . . .



. . . THIS IS NOW.

Southwest Airlines Emerges Into The New Generation With A New Corporate Logo.



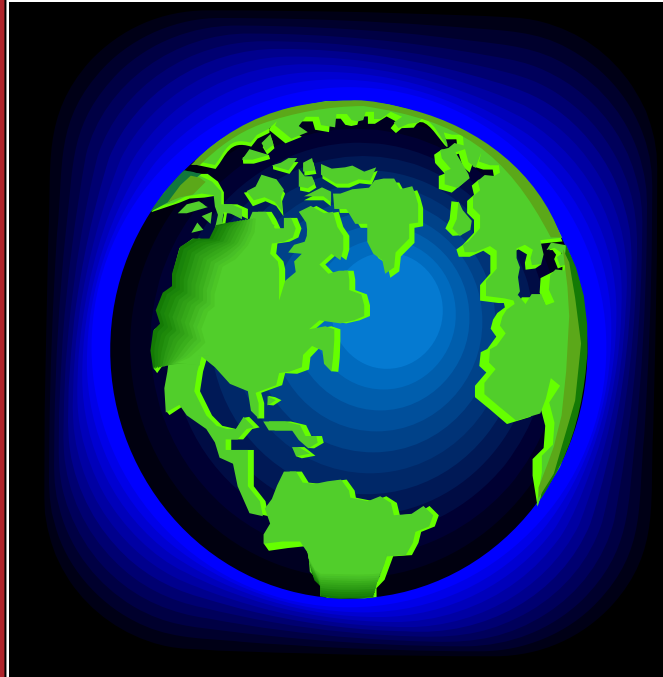
Private Sector Response

Private Sector

Shed jobs and
benefits

Restructured,
rewired,
outsourced

Self service
business model



Information

abundant,
affordable,
accessible

Self-reliance



NEXTEL



ORACLE | PeopleSoft.



**THEN
YOU RAN YOUR COMPANY.
NOW
SHE DOES.**

Government



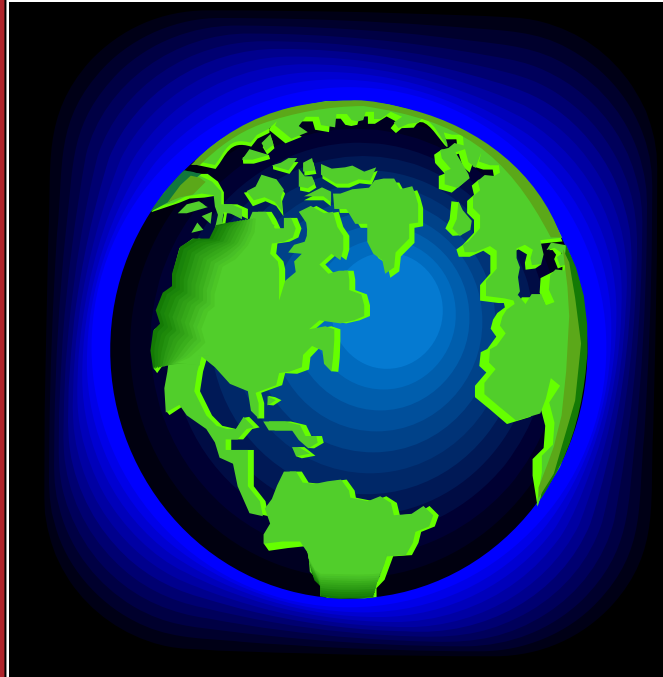
Public Sector Pressures

Private Sector

Shed jobs and
benefits

Restructured,
rewired,
outsourced

Self service
business model



Self-reliance

Public Sector

Insufficient
resources

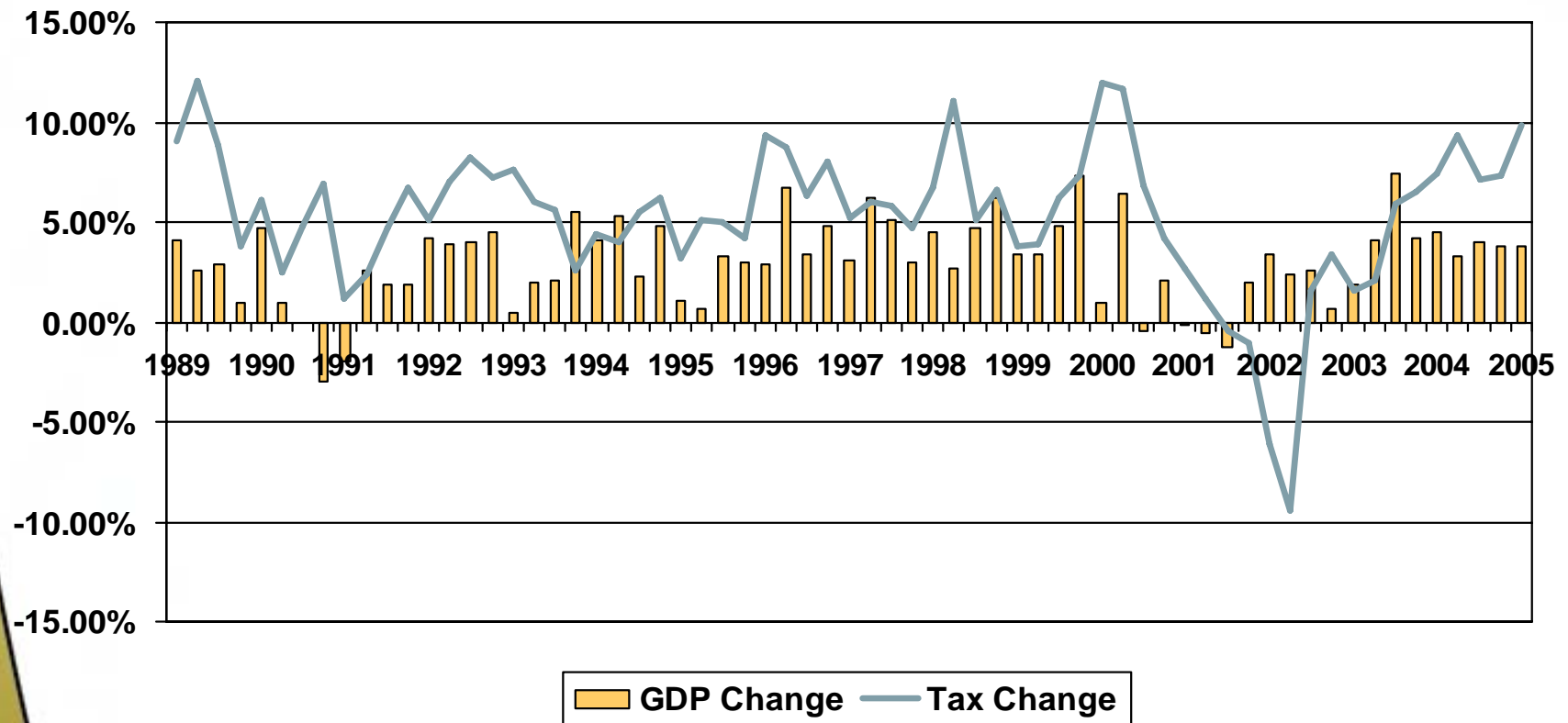
Growing safety
net and
health care

Complex, costly
organization

Revenue Growth May Not Match Economic Activity

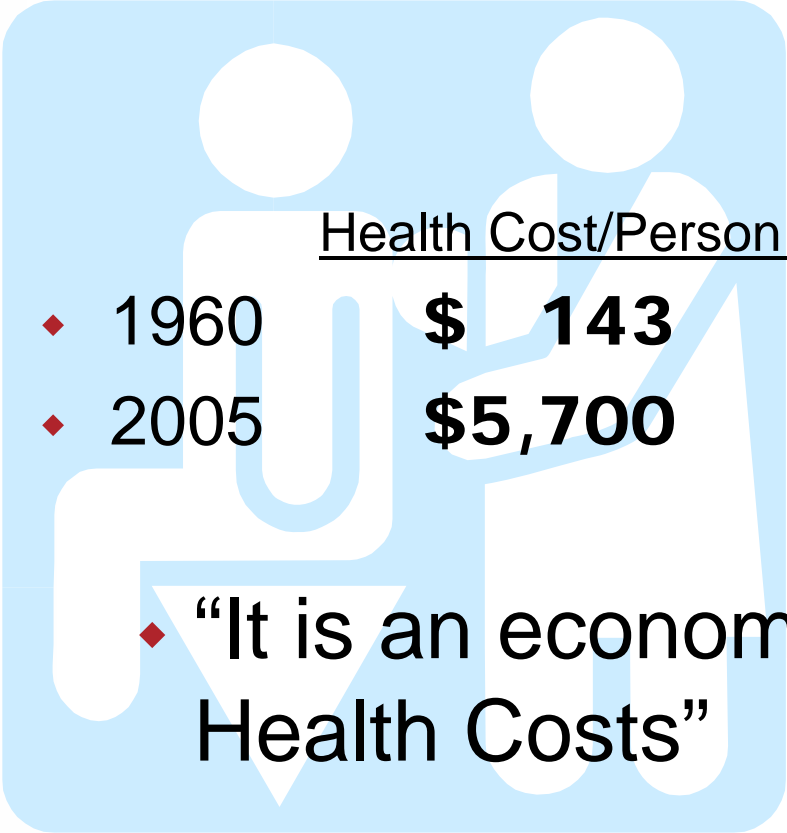


Year-Over-Year Percentage Change in GDP & Total State Tax Revenues



Source: Bureau of the Census, Bureau of Economic Analysis, Federation of Tax Administrators

Spiraling Cost of Healthcare

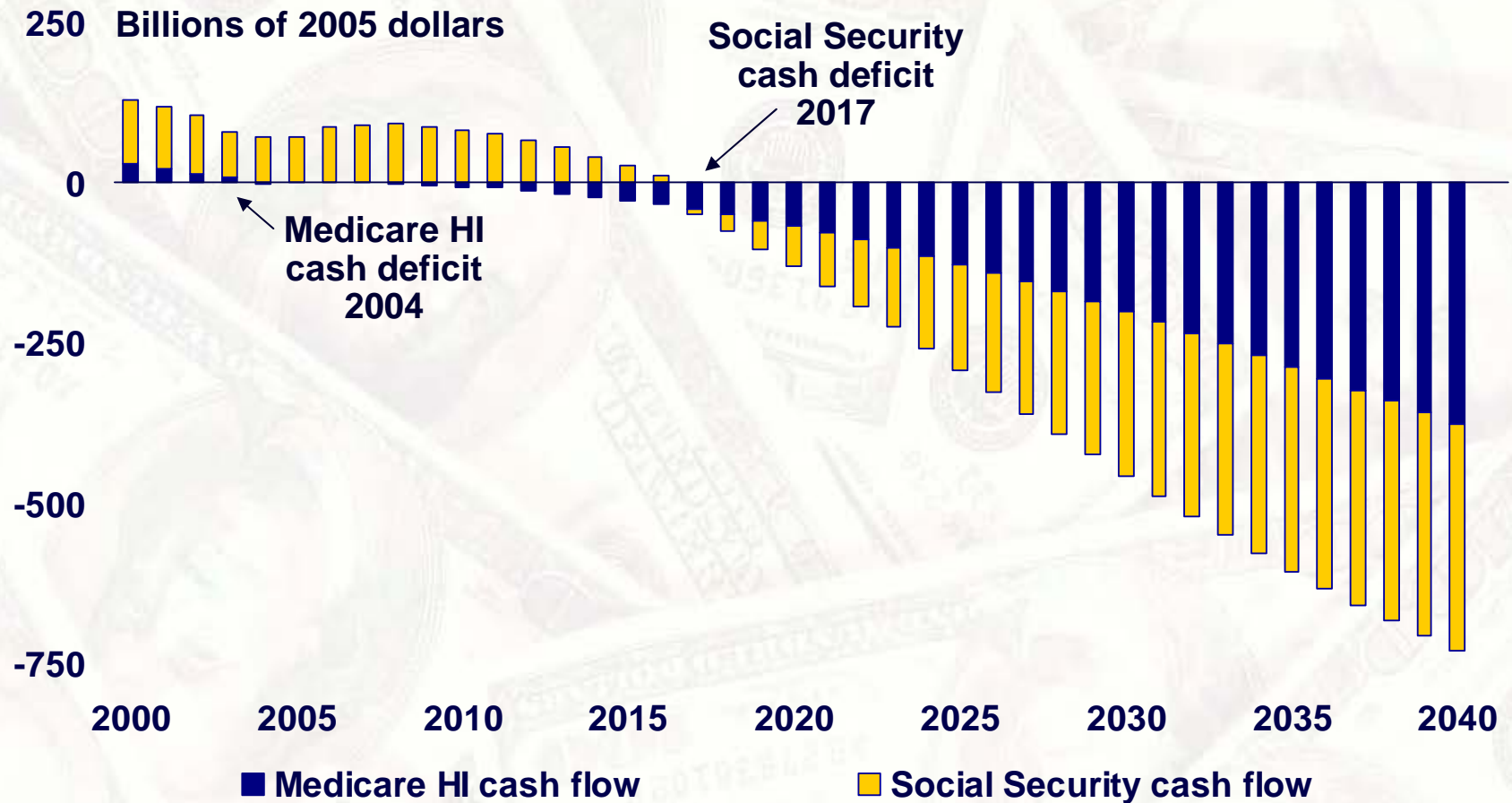


	<u>Health Cost/Person</u>	<u>%GDP</u>	<u>%Pub. Funded</u>
♦ 1960	\$ 143	5.1%	25%
♦ 2005	\$5,700	15.3%	46%

- ♦ “It is an economic imperative to contain Health Costs”

Secretary Mike Leavitt
Department of Health and Human Services
(Former Governor of Utah)
NASCIO, Washington DC, May 5, 2005

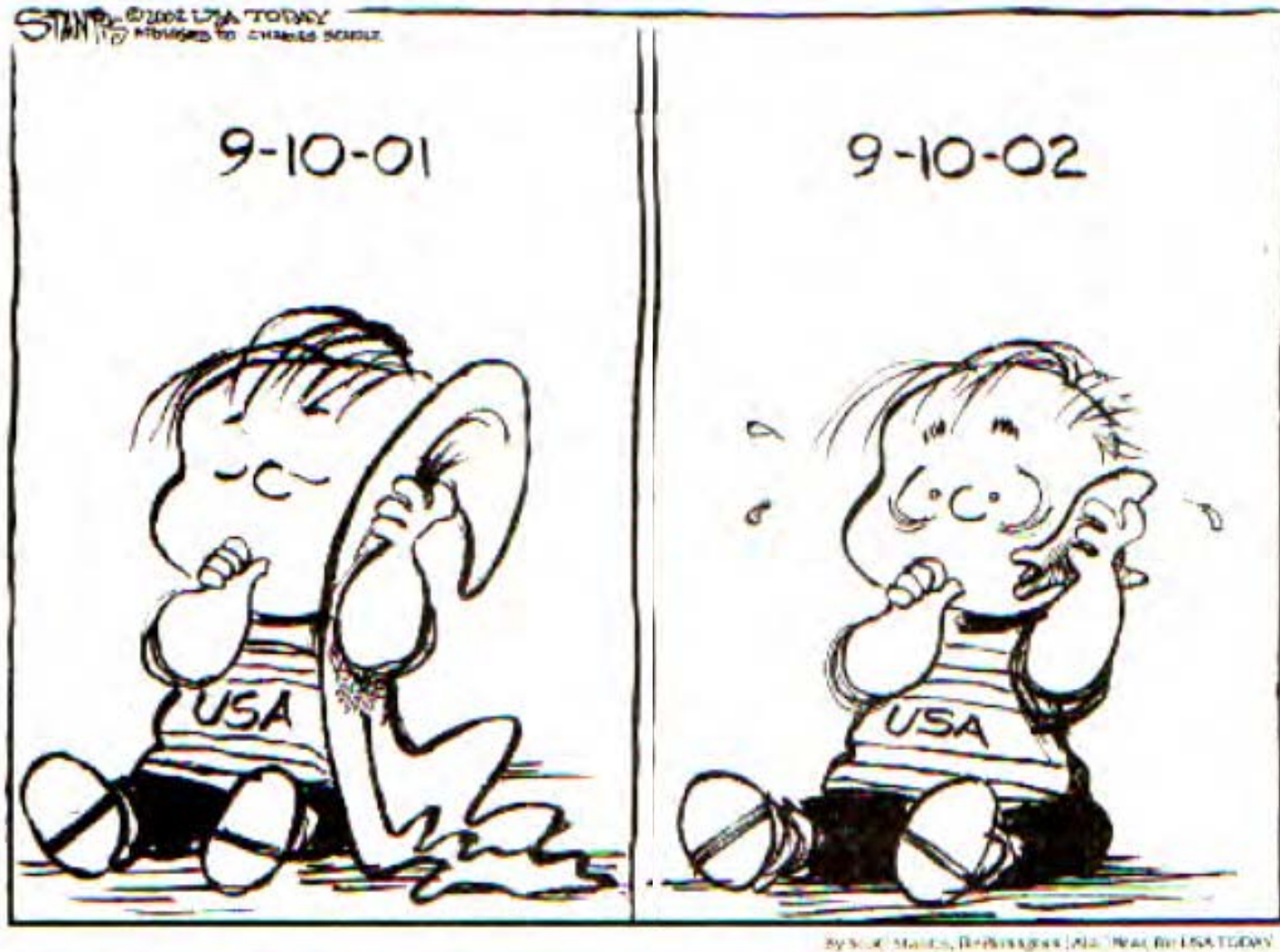
Social Security and Medicare's Hospital Insurance Trust Funds Face Cash Deficits



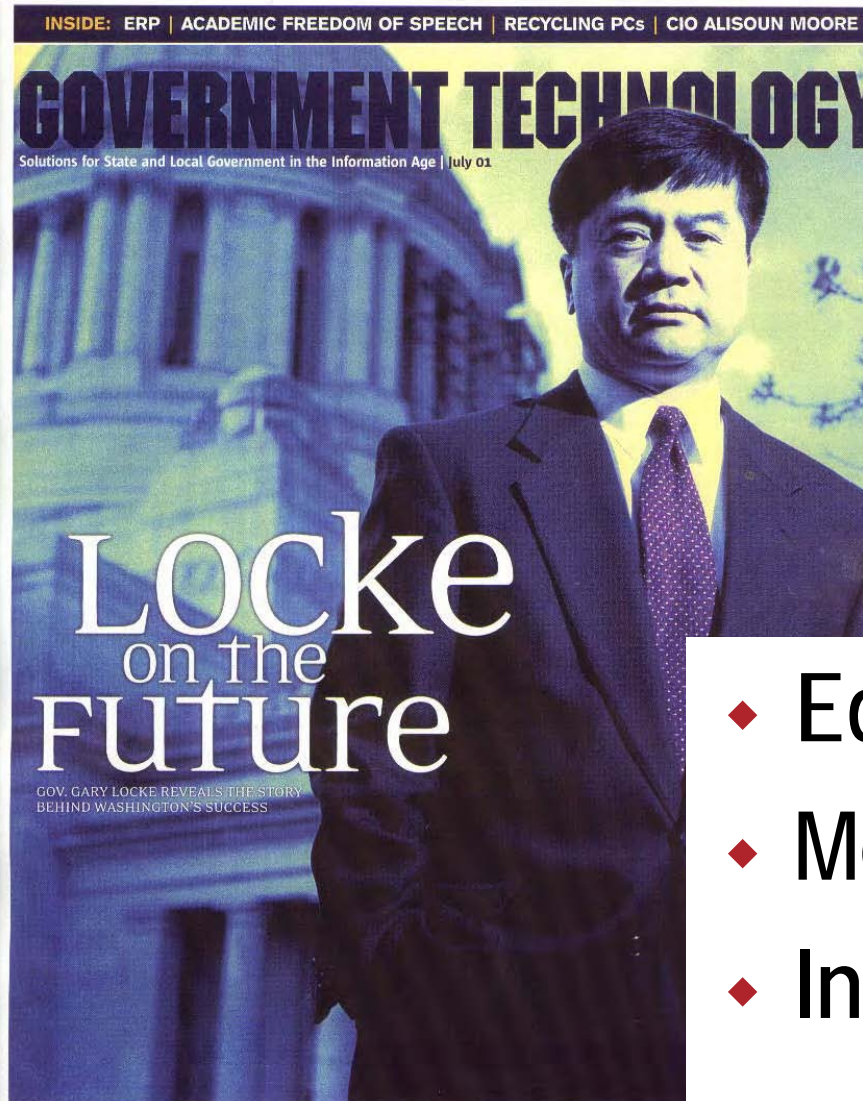
Note: Projections based on the intermediate assumptions of the 2005 Trustees' Reports.

Source: GAO analysis based on data from the Office of the Chief Actuary, Social Security Administration and Office of the Actuary, Centers for Medicare and Medicaid Services.

A Different World



Essential Services



- ◆ Educate
- ◆ Medicate
- ◆ Incarcerate

National Priorities

Governors



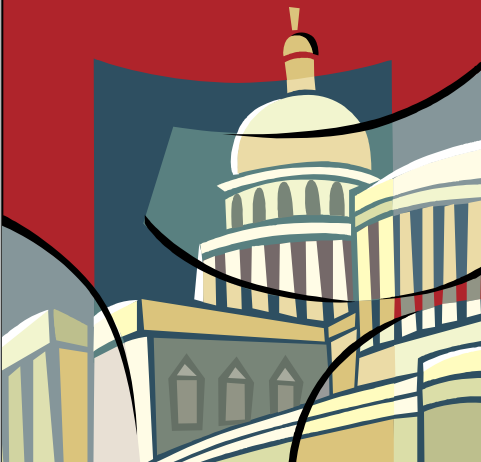
- ♦ Fix tax systems
 - ♦ Improve collections and audit
- ♦ Get a handle on healthcare
 - ♦ Especially Medicare
- ♦ Transform, modernize and restructure government
 - ♦ CA Performance Review
 - ♦ Commission for a New Georgia
 - ♦ WA Competitive Council
 - ♦ MN Drive to Excellence

Chapter 3

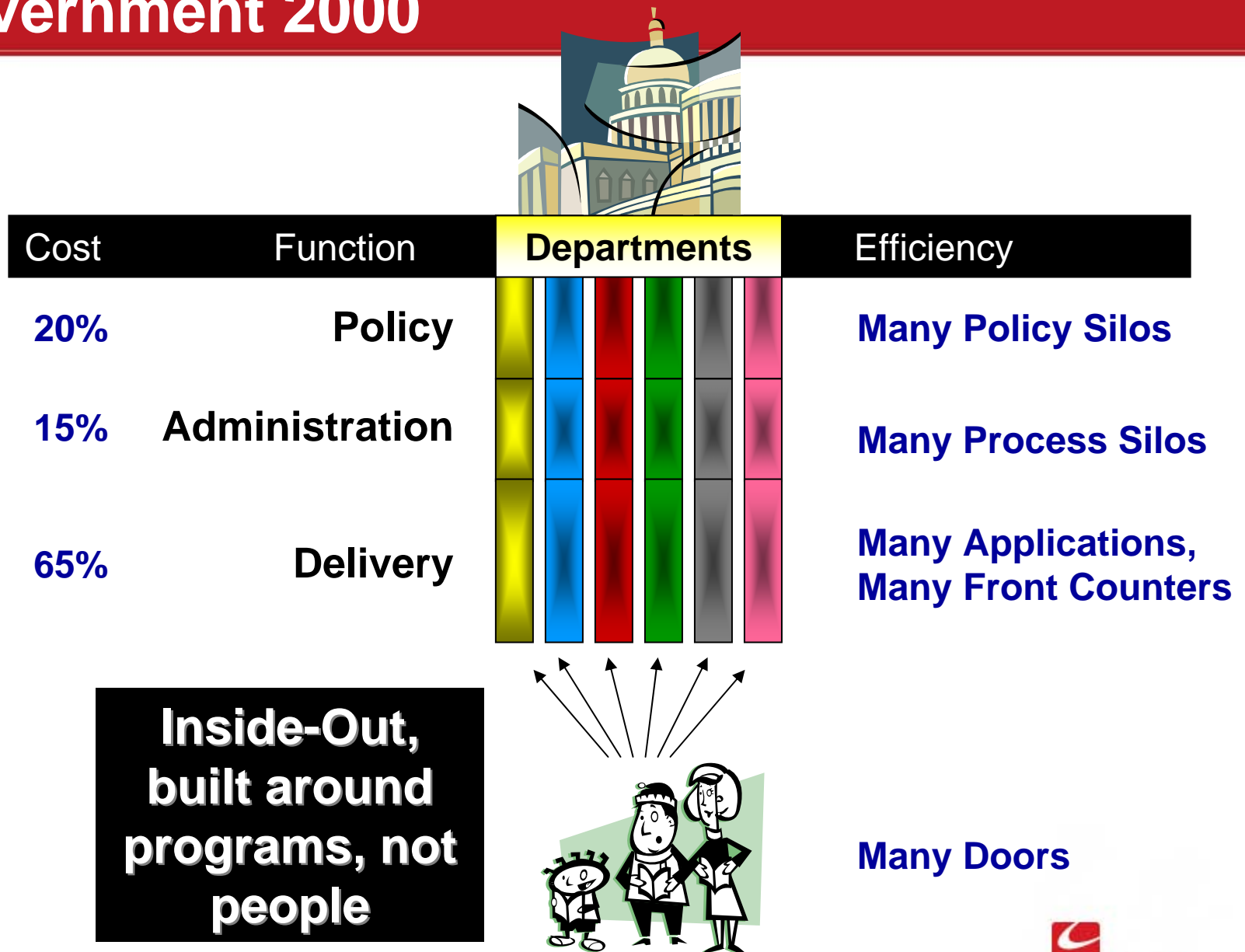
Moving Toward Government 2010

Democracy is a conversation and
the people have changed the
subject.

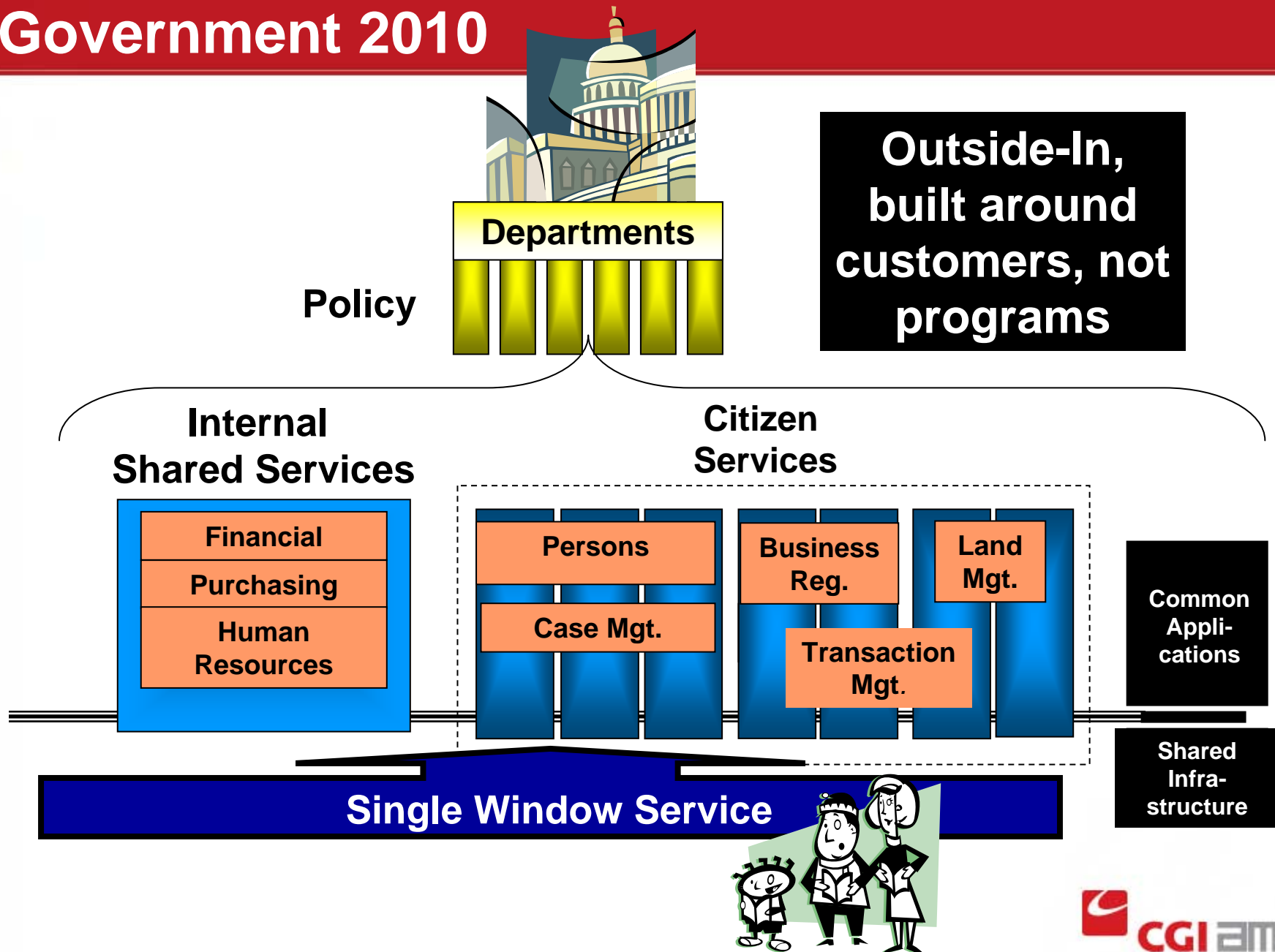
Anonymous



Government 2000



Government 2010

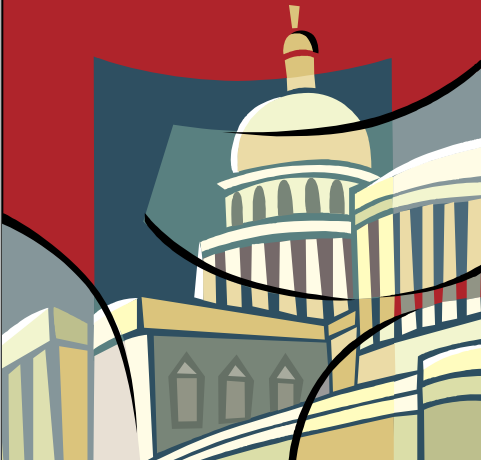


Chapter 4

Learning From the Best

It sure is fun to do the impossible.

Walt Disney

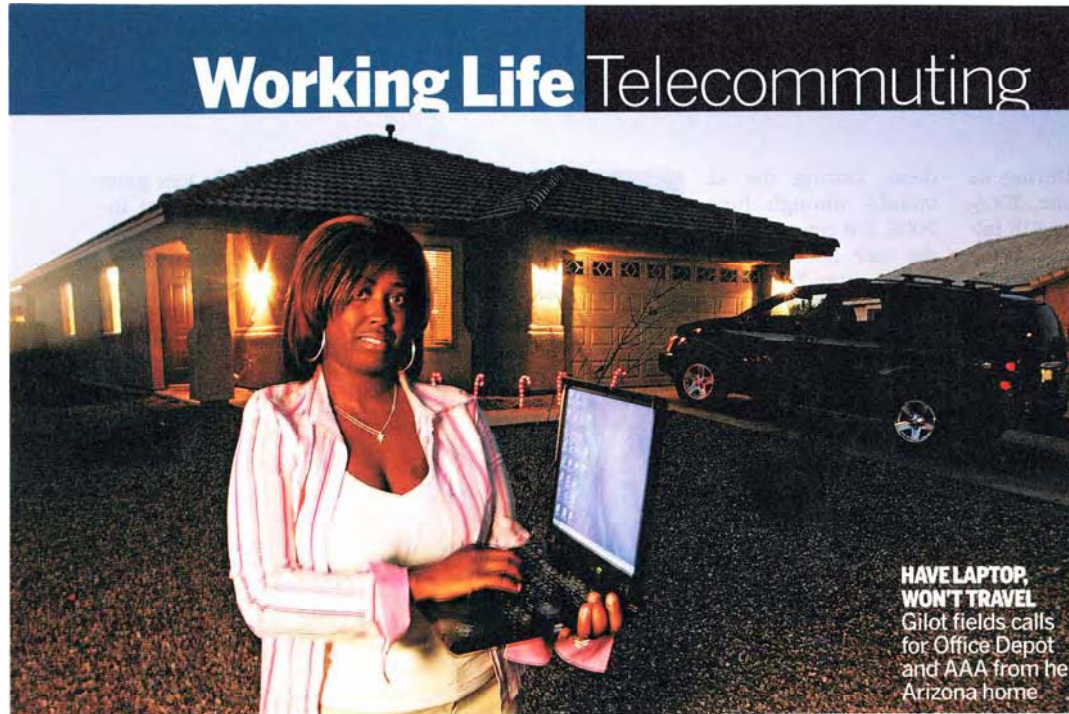


Lessons From the Internet

- ♦ **Build cheap, commodity infrastructure**
- ♦ **Implement tomorrow's ideas using today's cheap and reliable methods**
- ♦ **Extend business model into more programs**
- ♦ **Minimize fixed costs**



Homeshoring



Working Life Telecommuting

**HAVE LAPTOP,
WON'T TRAVEL**
Gilot fields calls
for Office Depot
and AAA from her
Arizona home.

Call Centers In the Rec Room

“Homeshoring” takes off as moms and others provide an alternative to offshoring

The McGraw-Hill Companies
BusinessWeek

January 23, 2006

Lessons From the Fast Lane



- ❖ Create Serial Success
 - ✓ Adapt and refine – [Electronic Arts](#) (30)
- ❖ Know Thy Customer
 - ✓ Interview customers – [Coach](#) (42)
- ❖ Aim Before Innovating
 - ✓ Target opportunities – [Genentech](#) (61)
- ❖ Make Room to Grow
 - ✓ Put infrastructure in place – [Chico's](#) (26)
- ❖ Find the Right Path
 - ✓ Determine where you can excel – [Symantec](#) (24)
- ❖ Be Patient
 - ✓ Be choosy – [Smuckers](#) (92)

Lessons in Innovation

- ◆ End “not invented here” culture
- ◆ Lead a cultural revolution in your agency
- ◆ Hire more anthropologists and social psychologists and fewer technicians
- ◆ Tie budgets to breakthrough projects
- ◆ Observe customers to discover what they want, then satisfy them



How to Build Innovative Companies

By Bruce Nussbaum, August 1, 2005

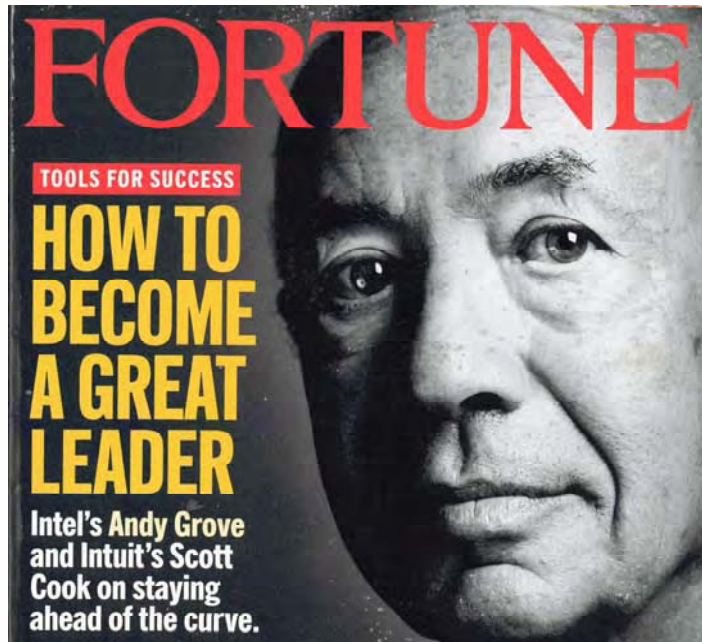
Lessons on Leadership Traits From GE

- ◆ **External focus**
- ◆ **Decisiveness**
- ◆ **Imagination and courage**
- ◆ **Inclusiveness**
- ◆ **Domain expertise**



“We want to make it O.K. to take risks”
Jeff Immelt, CEO

Lessons from Andy Grove



- ♦ Engage and then plan
- ♦ That's not the right question
- ♦ Helpful Cassandras
- ♦ "Vision to Inspire"
- ♦ There's a growth rate at which *everybody* fails
- ♦ Let's not repeat mindlessly suppositions that are true merely because somebody else says they are

Lessons on Leadership from Shinto Monks



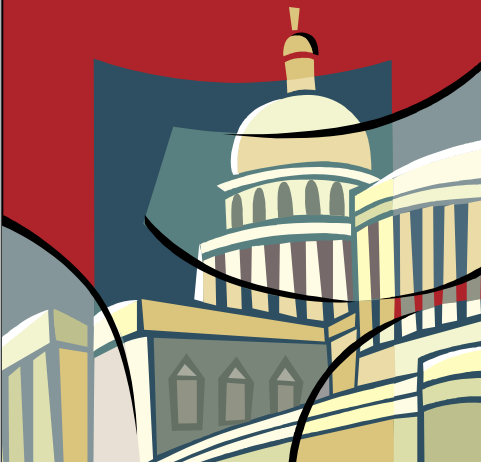
- ♦ **Pass on skills to next generation**
- ♦ **Remind themselves that life is transitory**
- ♦ **Improve the temple, without need to maintain old temple**

Chapter 5

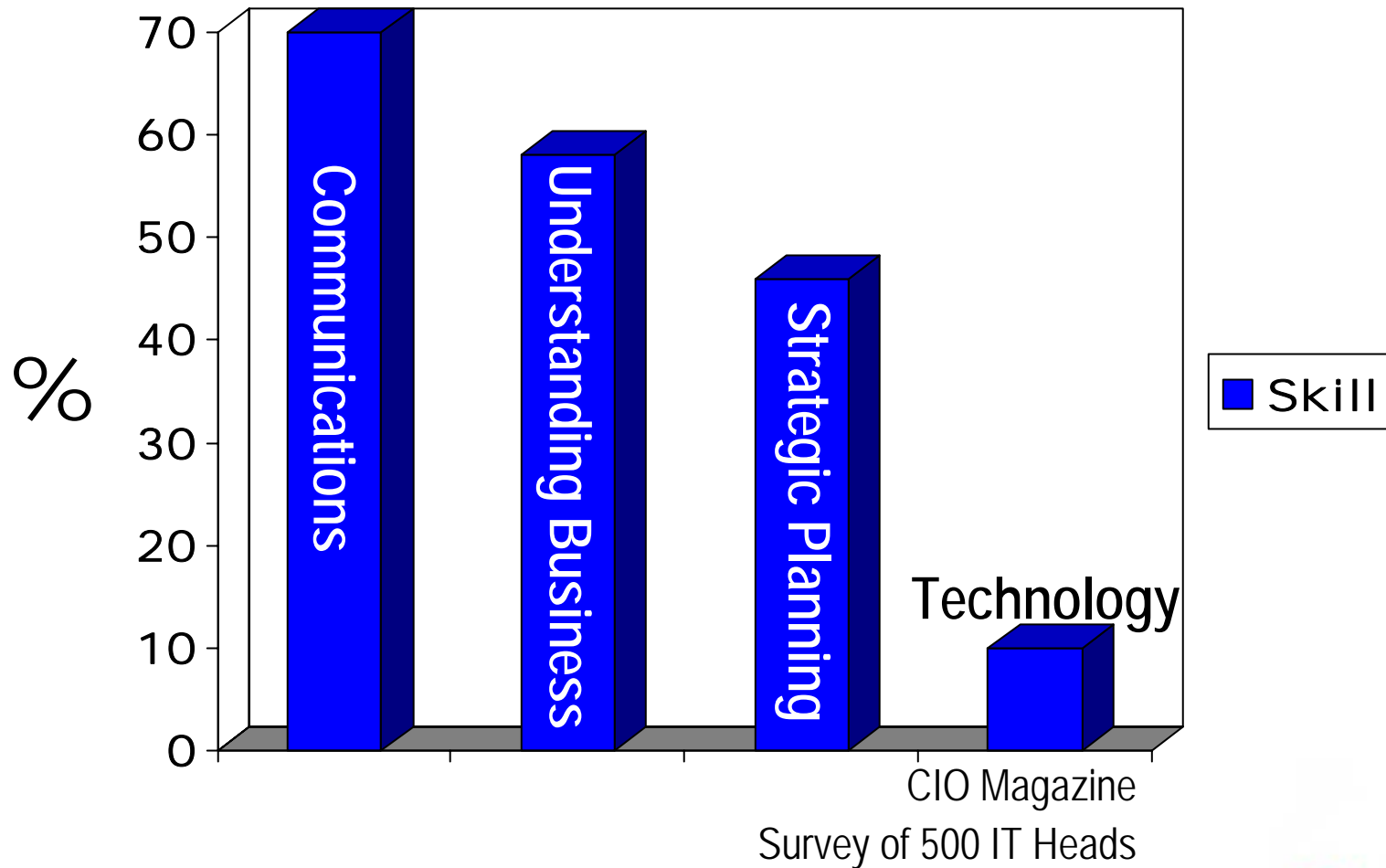
CIO Leadership

A good leader is someone whose
troops will follow him ...
if only out of curiosity.

Gen. Colin Powell



Skills Important to CIOs



Qualities for Leadership

Conviction



**You've Got
To Stand
For
Something**

Aaron Tippin

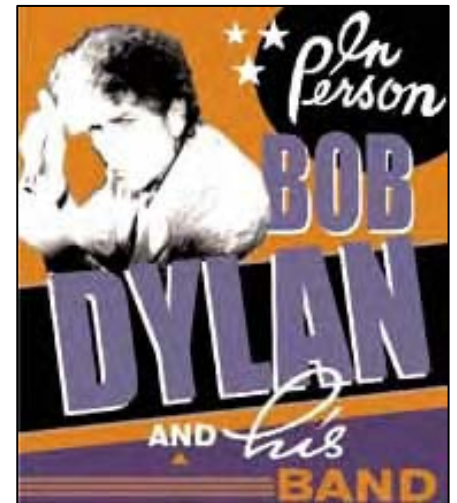
Persistence



Do or Do Not.
There is no try

Reinvention

He who's not
busy being
born is busy
dying



Know Who to Trust



Leadership Mindset



SHARE WHAT YOU KNOW. BECOME A MENTOR.



IdeasTheWelchWay
BY JACK AND SUZY WELCH

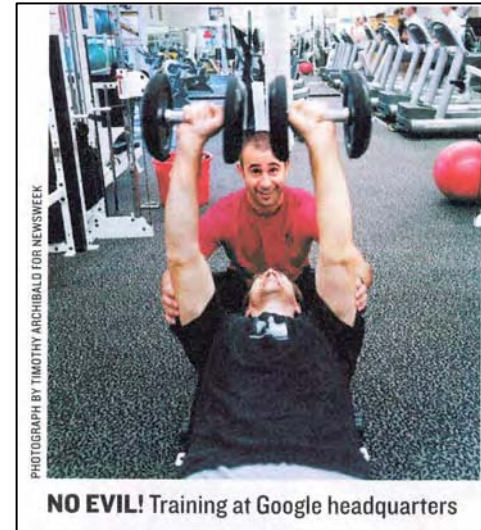
Never forget, you're a leader now. It's not about you anymore. It's about the reflected glory of your team.

Success

- ❖ Seize the inevitable
- ❖ Tolerance for uncertainty
- ❖ Willing to be first mover
- ❖ Confidence to “launch and learn”
- ❖ Accountable for outcomes
- ❖ Bias for action

Google Workout

- ◆ Hire by committee
- ◆ Cater to their every need
- ◆ Pack them in
- ◆ Make coordination easy
- ◆ Encourage creativity
- ◆ Strive for consensus
- ◆ Don't be evil
- ◆ Communicate effectively

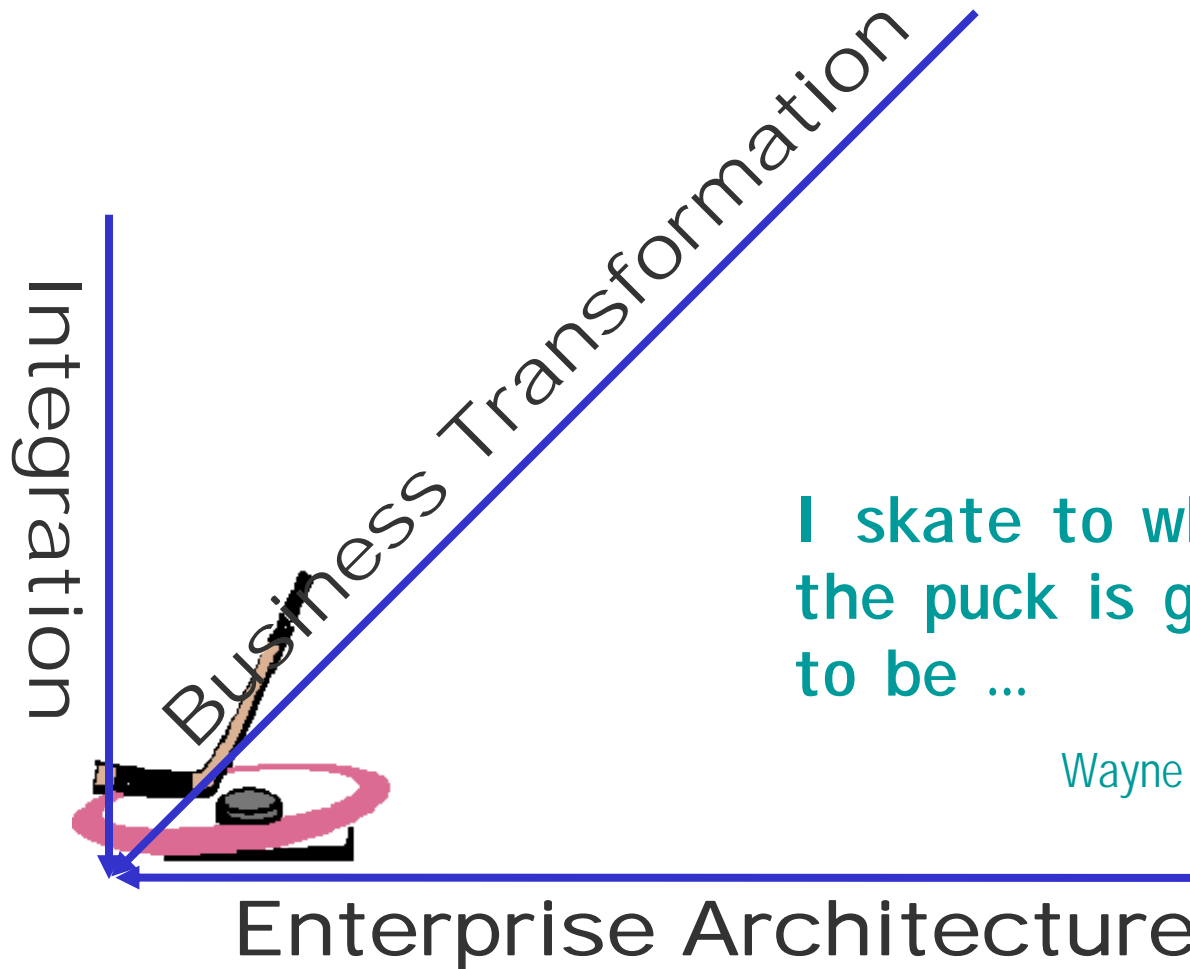


knowledge workers will be “the single biggest factor for competitive advantage in the next 25 years.”

... the ability to attract and keep the best

quote by Peter Drucker

Google™



I skate to where
the puck is going
to be ...

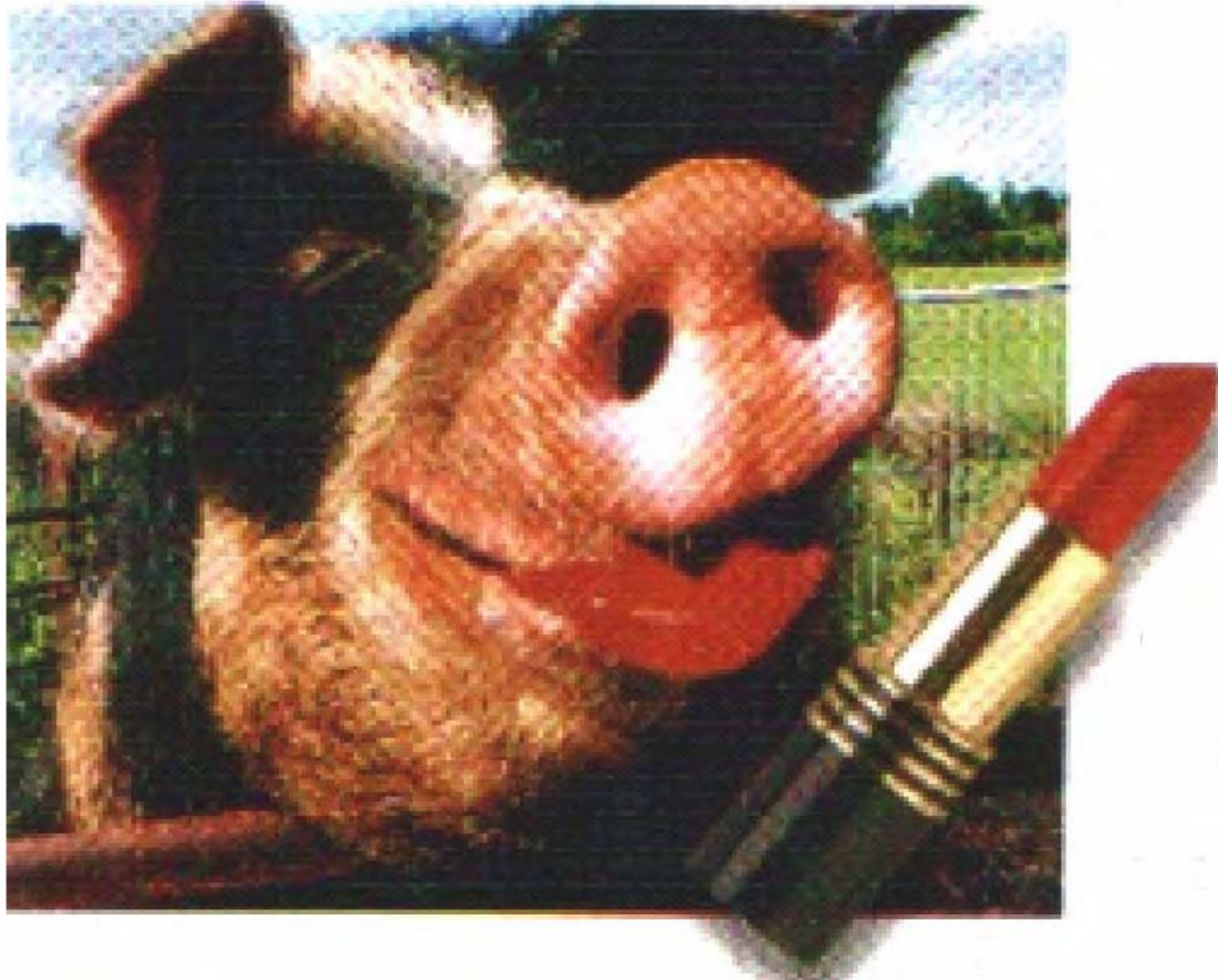
Wayne Gretzky

Target the Right Problem

Stay Out of the Middle of the Road



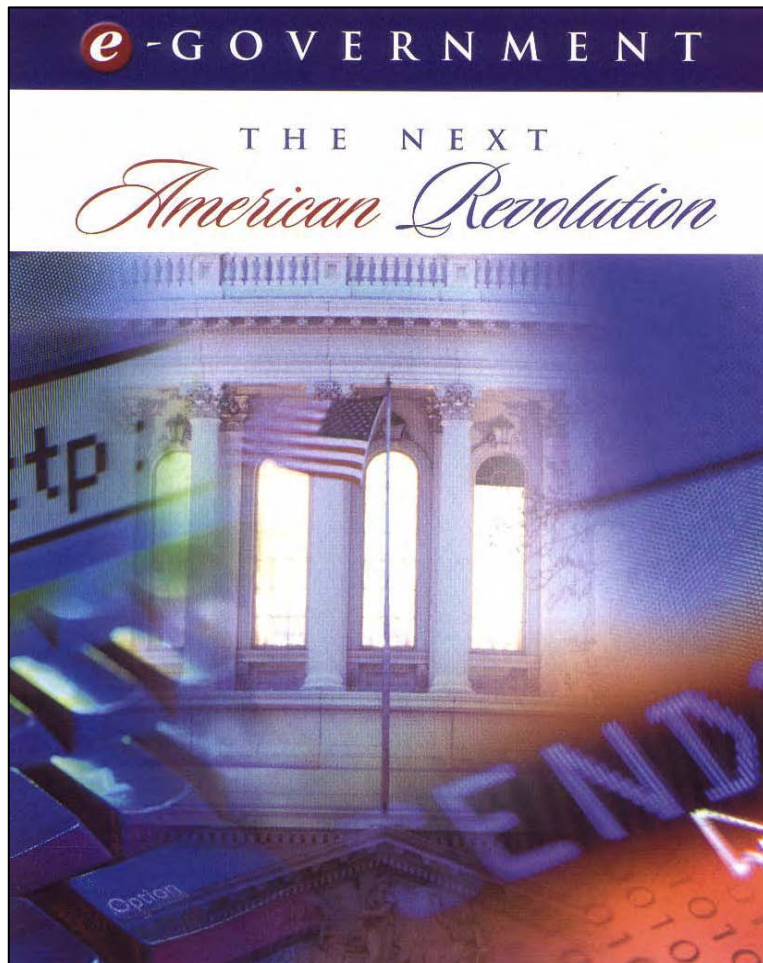
Lipstick on the Pig



Nothing Like a Little Luck



Act With Courage

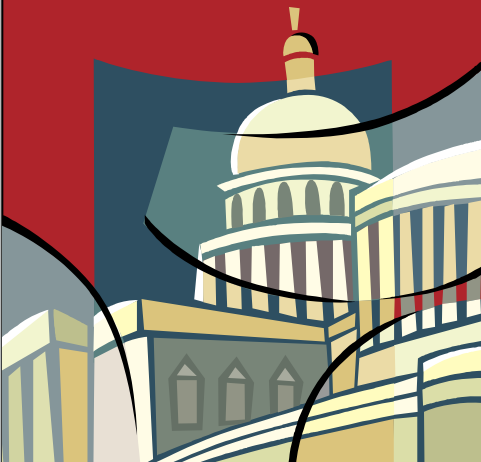


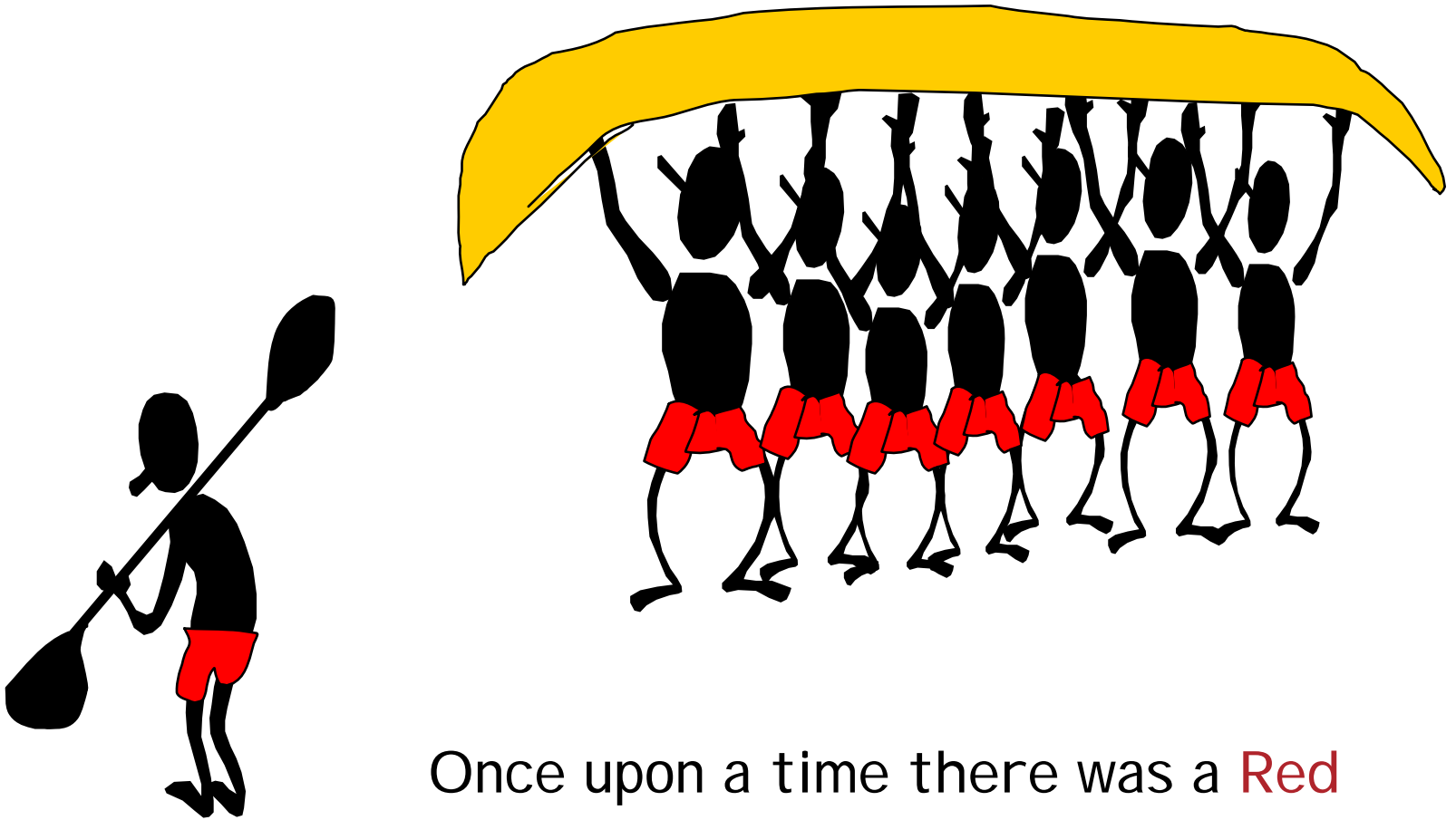
We believe that this is one of those exciting moments in history when leaders are challenged to act, with imagination and determination, to achieve the quantum leaps that electronic government makes possible.

Epilogue

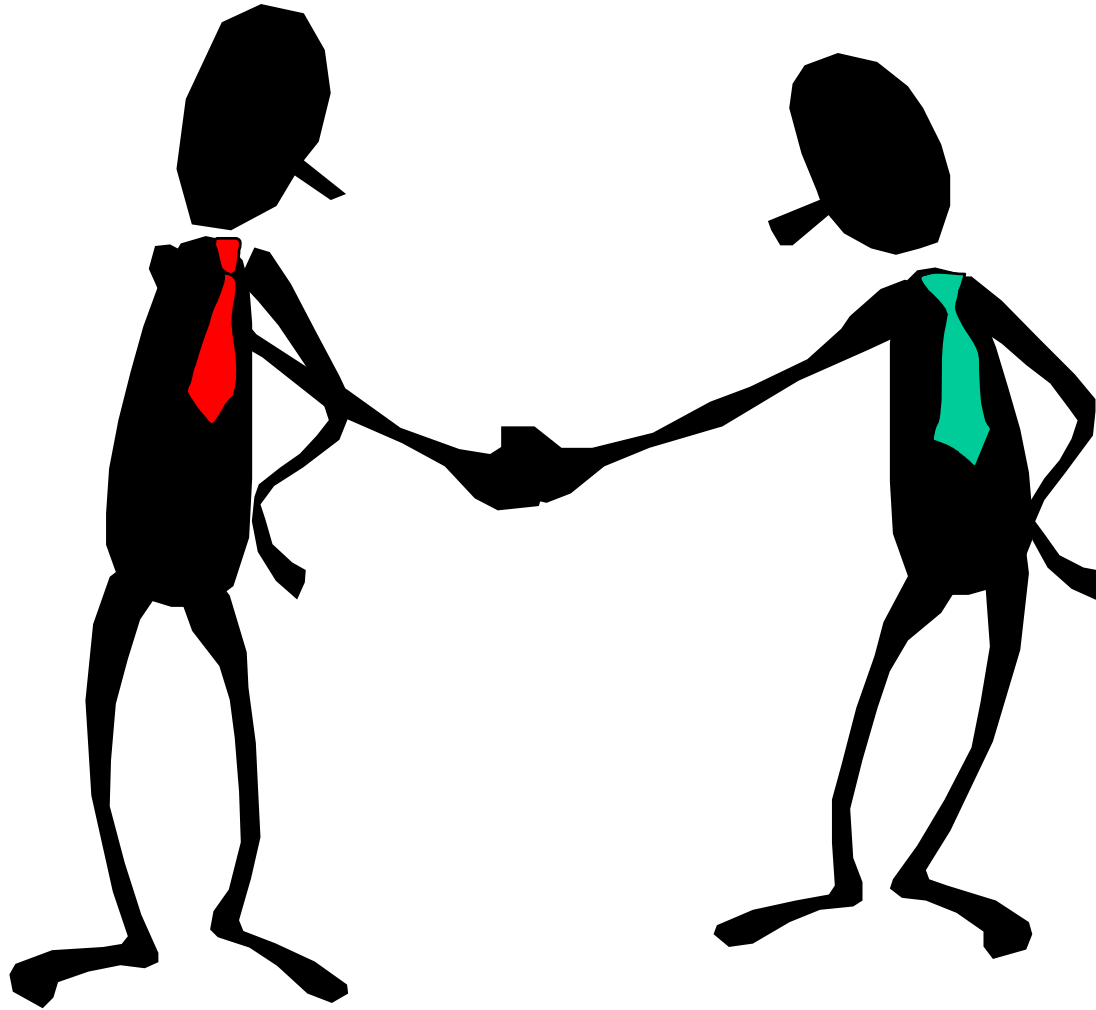
The Race

Sometimes it's pretty simple





Once upon a time there was a Red rowing team.

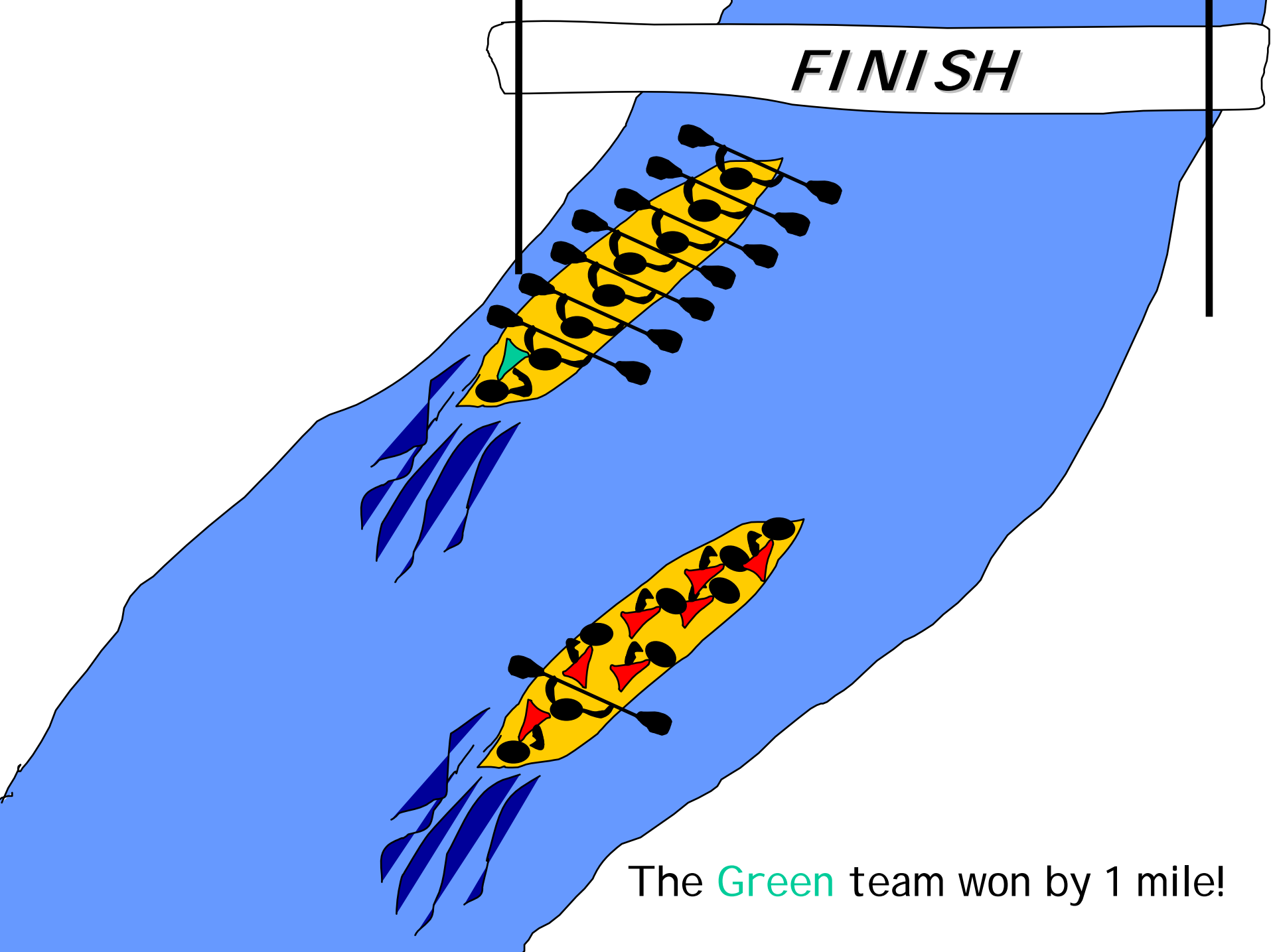


This Red team agreed to hold an annual rowing race with a Green team. Each team would contain 8 men.

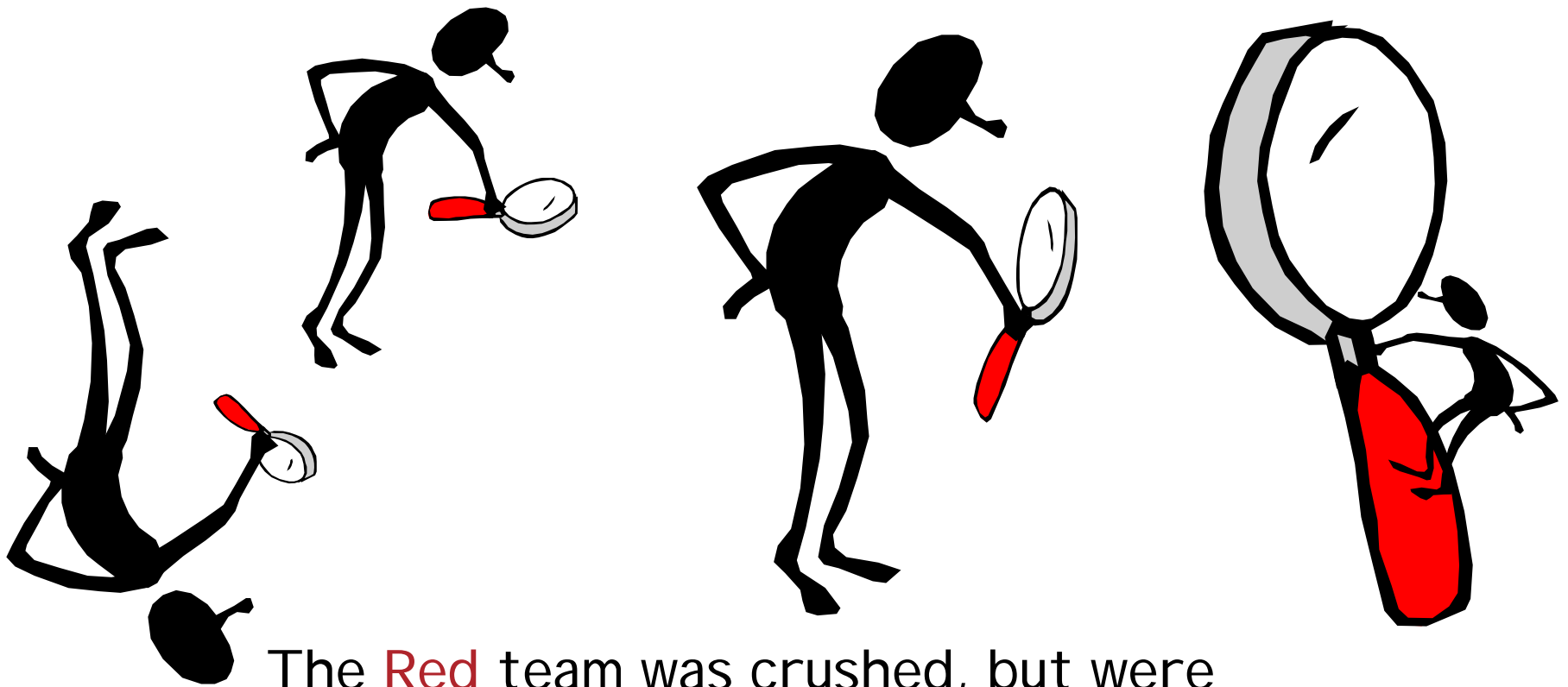
Both teams worked really hard to get in the best shape.

On the day of the first race, both teams were ready to win.

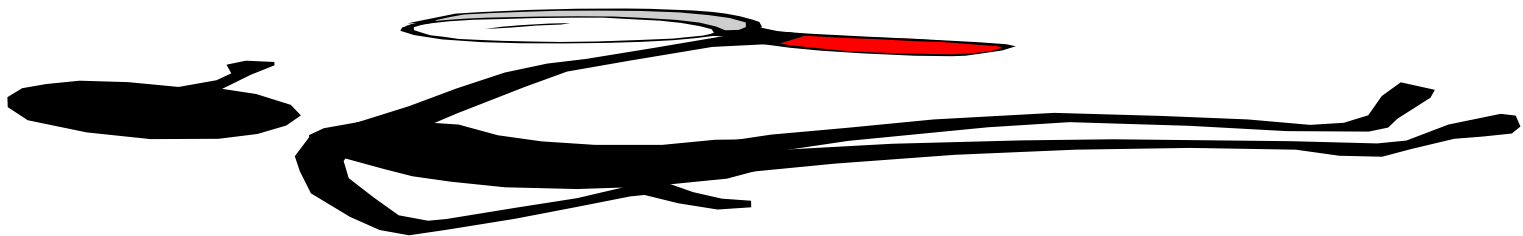
FINISH



The Green team won by 1 mile!



The **Red** team was crushed, but were determined to win the race next year. So, they established a panel of auditors to ascertain if there were any differences between the teams.

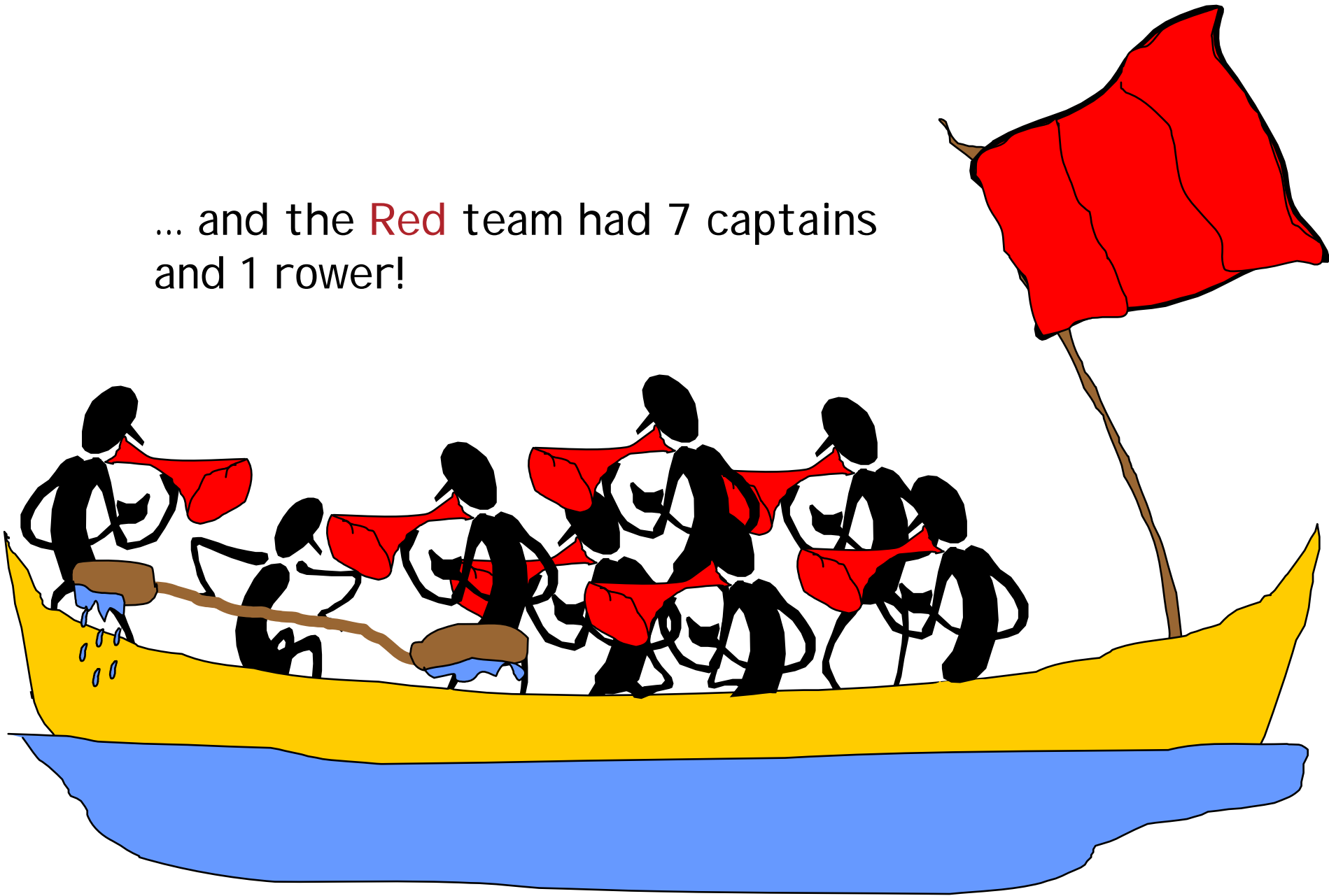


After several weeks of detailed fact finding, the auditors could find only one difference;

the **Green** team had 7 rowers and 1 captain...

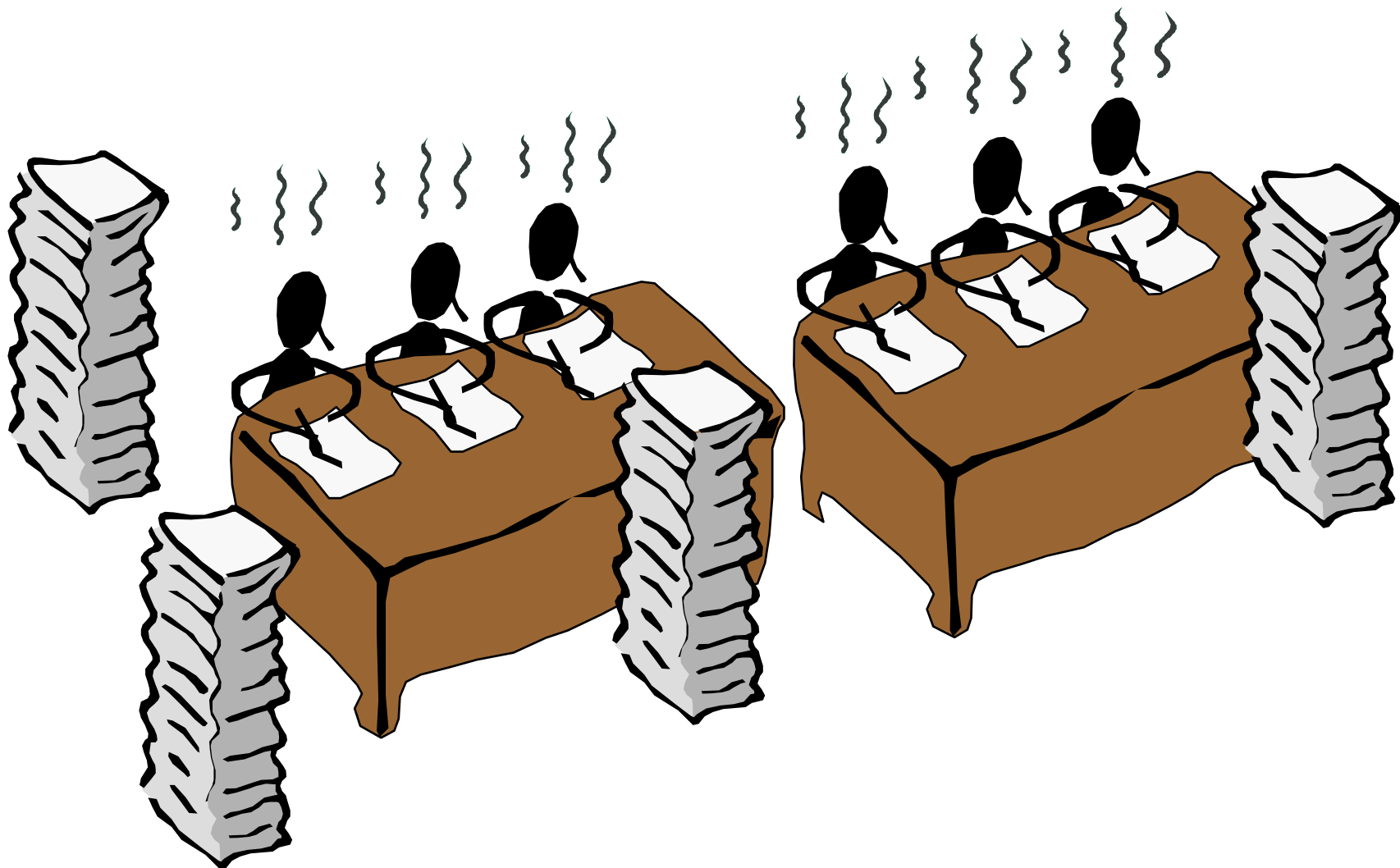


... and the Red team had 7 captains
and 1 rower!



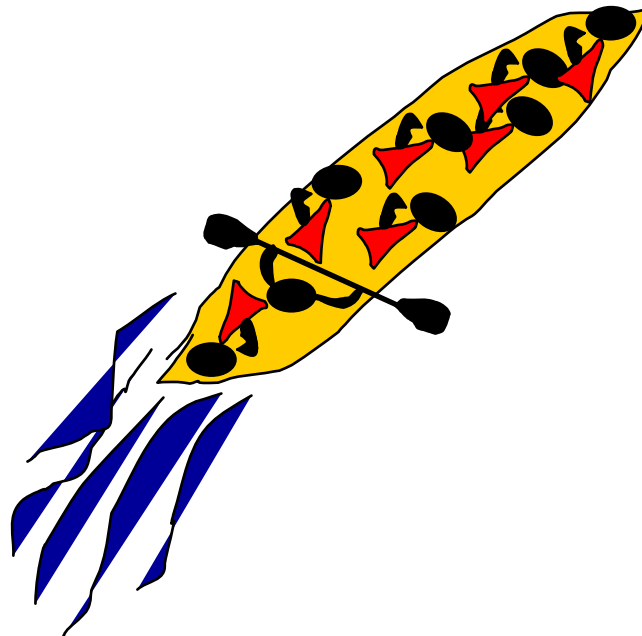
Un-perplexed by the data, upper management hired a consulting company to suggest a solution that would enable the Red team to win next year.





After several months the consultants came to the conclusion that the ratio of captains to rowers was the problem in the Red team.

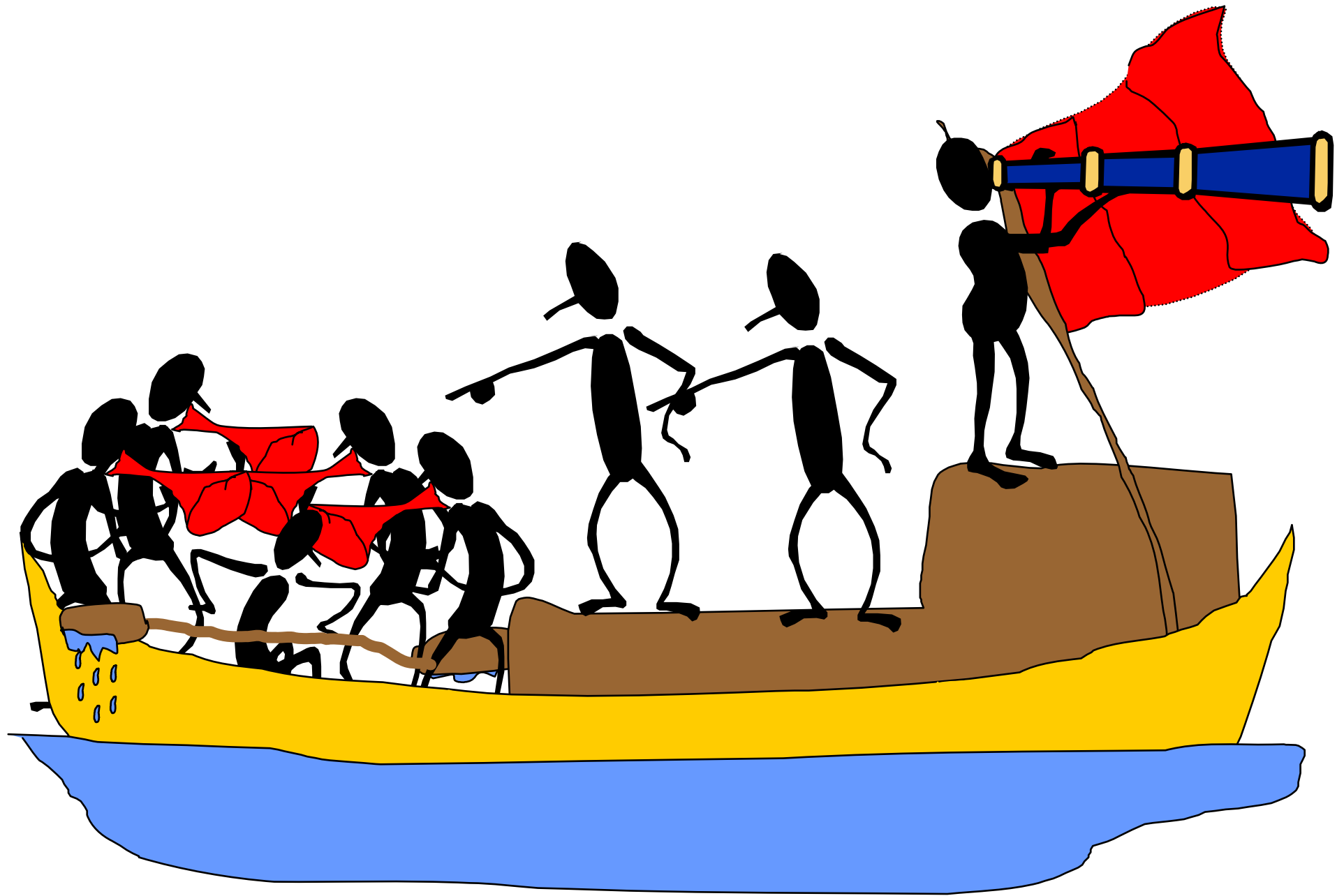
Based on this analysis a solution was proposed: the structure of the Red team has to be changed!



Like sharks getting the scent of blood, upper management wasted no time in restructuring the Red team into:

4 Captains, led by 2 Managers, reporting to 1 Senior Director with a dotted line to the rower.

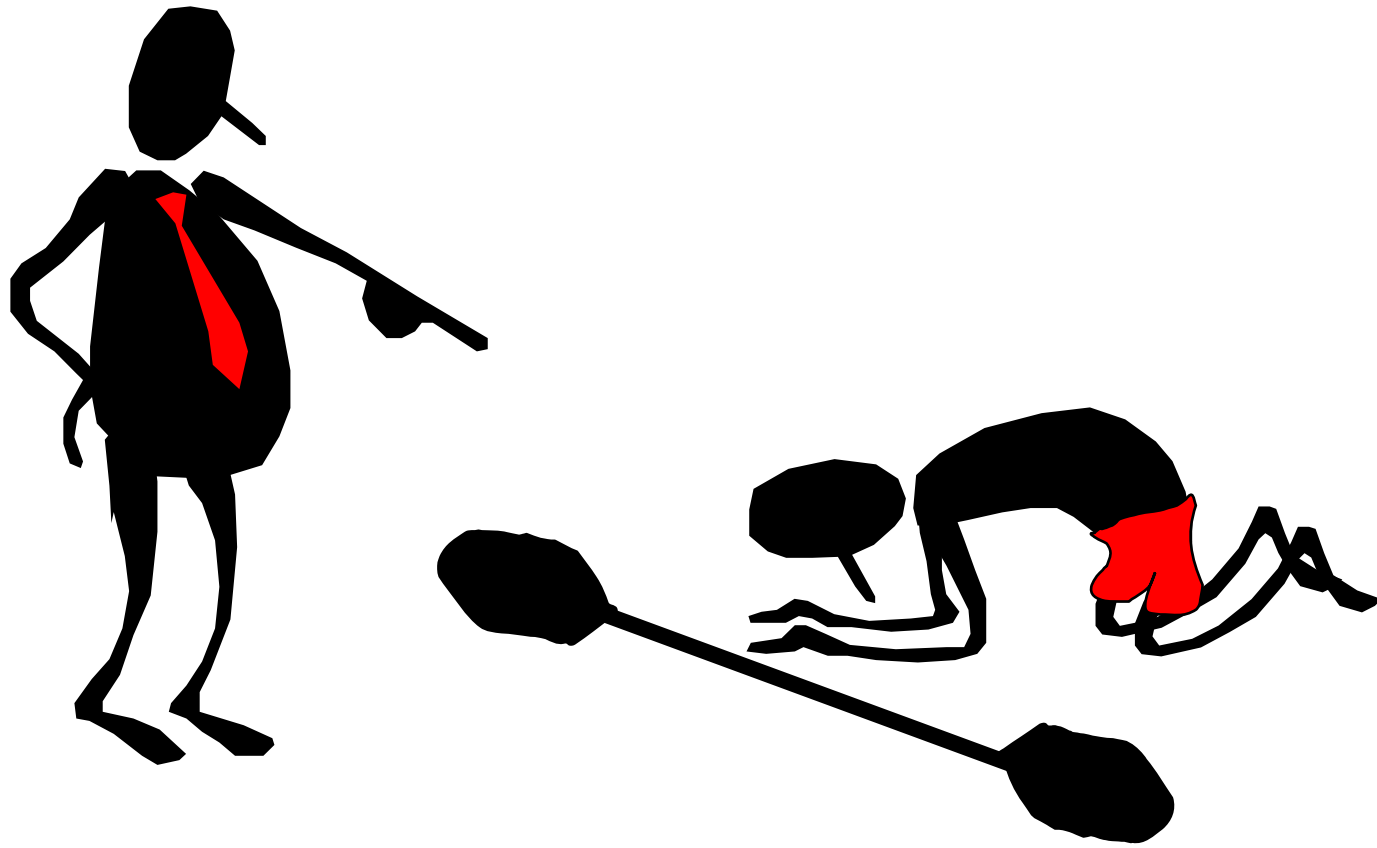
Besides that, in a blaze of inspiration, they suggested they *might* be inclined to improve the rower's working conditions by a non-monetary reward and recognition scheme if there was improved performance by the rower.



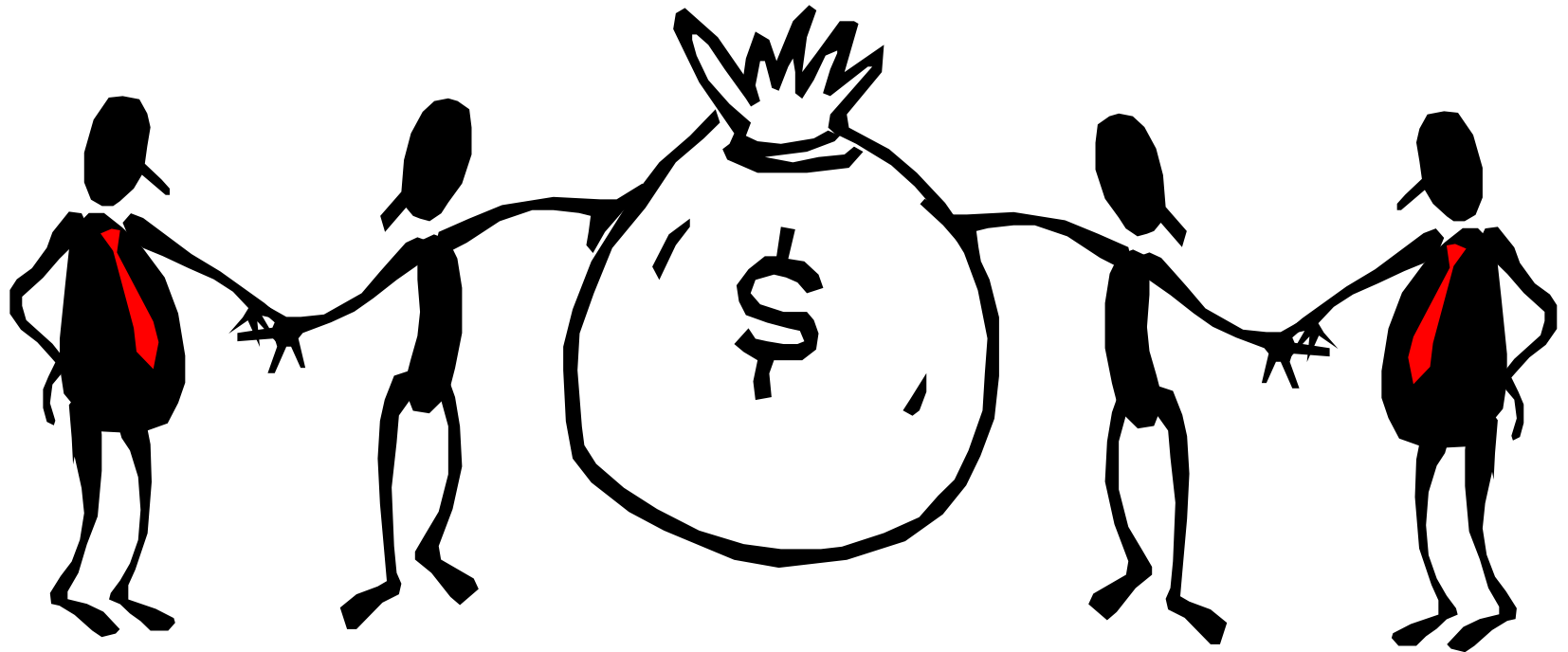


FINISH

The next year, the
Green team won by 2
miles ...



The Red team upper management immediately fired the rower based on his unsatisfactory performance.



Promotions were awarded to the Captains, Directors, and Managers for the strong leadership and motivation they showed during the preparation phase and as an incentive for finding a better rower for the next race.

The consulting company prepared a new analysis of the restructuring activity, which showed:

- ✓ the strategy was good
- ✓ the motivation was great
- ✓ the restructuring was executed correctly

But, the tool used (which was not included in the original data) was sub-standard and had to be improved.

Currently the Red team management is having a new boat designed and, to demonstrate fiscal and HR austerity, they outsourced the rowing to India.

The End

